

PINCHEV ALEX  
Form 4  
January 06, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
*See Instruction*  
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
PINCHEV ALEX

(Last) (First) (Middle)

C/O RED HAT, INC., 1801  
VARSITY DRIVE

(Street)

RALEIGH, NC 27606

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol

RED HAT INC [RHAT]

3. Date of Earliest Transaction  
(Month/Day/Year)

01/04/2006

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_X\_ Officer (give title below) \_\_\_\_ Other (specify  
below) below)

EVP Worldwide Sales

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_X\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	01/04/2006		M	6,250 A	\$ 13.16	36,875	D
Common Stock	01/04/2006		M	57,495 A	\$ 6.15	94,370	D
Common Stock	01/04/2006		M	8,130 A	\$ 6.15	102,500	D
Common Stock	01/04/2006		S <sup>(1)</sup>	6,250 D	\$ 27.95	96,250	D
Common Stock	01/04/2006		S <sup>(1)</sup>	8,130 D	\$ 27.95	88,120	D

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Common Stock	01/04/2006	S <sup>(1)</sup>	10,495	D	\$ 27.9	77,625	D
Common Stock	01/04/2006	S <sup>(1)</sup>	7,000	D	\$ 27.97	70,625	D
Common Stock	01/04/2006	S <sup>(1)</sup>	7,500	D	\$ 27.95	63,125	D
Common Stock	01/04/2006	S <sup>(1)</sup>	7,500	D	\$ 28.03	55,625	D
Common Stock	01/04/2006	S <sup>(1)</sup>	3,000	D	\$ 28	52,625	D
Common Stock	01/04/2006	S <sup>(1)</sup>	2,000	D	\$ 28.02	50,625	D
Common Stock	01/04/2006	S <sup>(1)</sup>	1,000	D	\$ 28.2	49,625	D
Common Stock	01/04/2006	S <sup>(1)</sup>	10,000	D	\$ 28.23	39,625	D
Common Stock	01/04/2006	S <sup>(1)</sup>	9,000	D	\$ 28.31	30,625	D
Common Stock	01/05/2006	M	6,250	A	\$ 13.16	36,875	D
Common Stock	01/05/2006	S <sup>(1)</sup>	6,250	D	\$ 29	30,625	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock	\$ 6.15	01/04/2006		M	8,130	(2) 04/23/2013	Common Stock 8,130

Option  
ISO  
(Right to  
Buy)

Employee  
Stock

Option NQSO (Right to Buy)	\$ 13.16	01/04/2006	M	6,250	<u>(2)</u>	12/28/2009	Common Stock	6,250
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Employee  
Stock

Option NQSO (Right to Buy)	\$ 6.15	01/04/2006	M	57,495	<u>(2)</u>	04/23/2013	Common Stock	57,495
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Employee  
Stock

Option NQSO (Right to Buy)	\$ 13.16	01/05/2006	M	6,250	<u>(2)</u>	12/28/2009	Common Stock	6,250
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PINCHEV ALEX C/O RED HAT, INC. 1801 VARSITY DRIVE RALEIGH, NC 27606			EVP Worldwide Sales	

## Signatures

Emily DelToro, Atty in Fact UPOA	01/06/2006
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                    \*\*Signature of Reporting Person

                    Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This stock sale was effected pursuant to a Rule 10(b)5-1 trading plan effective December 27, 2005.

(2) This option is exercisable 25% on the first anniversary date and 6.25% on the first day of each subsequent three-month period following one year from the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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